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PCSW

Permanent Commission on the Status of Women

The State's leading force for women's equality

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**Testimony of
The Permanent Commission on the Status of Women
Before the
Aging Committee
March 6, 2012**

Re: H.B. 5337, AA Establishing a Task Force to Evaluate the Utility of Creating a Public Retirement Plan

Senators Prague and Kelly, Representatives Serra and Frey, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) on the above referenced bill. The PCSW supports passage of H.B. 5337 because many women retire with insufficient income to sustain them during retirement.

CT Specific Data

- Connecticut has the 7th oldest median age in the nation according to the 2010 US Census.
- Elderly women represent 58.9% of the total elderly population and 11.7% of the total female population in poverty.¹
- Social Security is the *only* source of income for one out of five older adults in Connecticut, the majority of who are women, and virtually the only source of income for 40% of older women in Connecticut.²

Despite having a more powerful presence in shaping today's workforce, women continue to be less prepared for retirement than men.³ Twenty-five percent of women have neither retirement savings nor other savings, compared with 18 percent of men.⁴ Women wait 2 to 4 years longer than men to start saving for retirement.⁵ Thirty percent of women did not contribute to their 401(k) plans in 2007 and another 24% did not contribute at a level high enough to take advantage of the company match.⁶

According to the Social Security Administration, the median number of years of covered earnings for women was 29 years versus 38 years for men and the average monthly Social Security check received by women

¹ U.S. Census Bureau, 2009 American Community Survey – 1-Year Estimates, Poverty Status in the Past 12 Months by Sex by Age.

² The Gerontology Institute, University of Massachusetts Boston, Wider Opportunities for Women. *The Elder Economic Security Index for Connecticut*, 2009. Prepared for the Connecticut Permanent Commission on the Status of Women and the Connecticut Commission on Aging.

³ Hewitt Associates: *Women Less Prepared to Retire Than Men*, July 2008. Hewitt Associates: *Women Less Prepared to Retire Than Men*, July 2008.

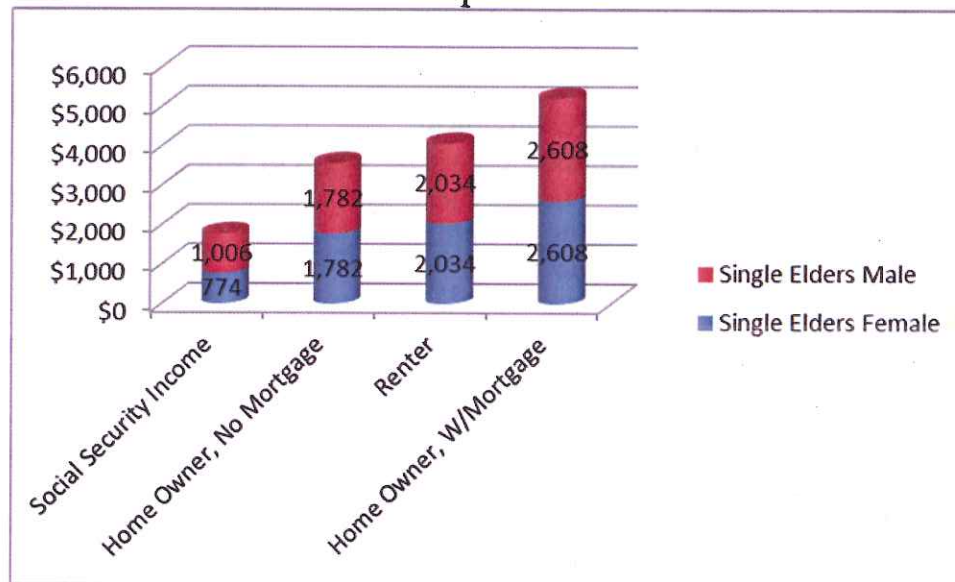
⁴ Employee Benefit Research Institute: 2008 Retirement Confidence Survey.

⁵ Hewitt Associates: *Women Less Prepared to Retire Than Men*, July 2008.

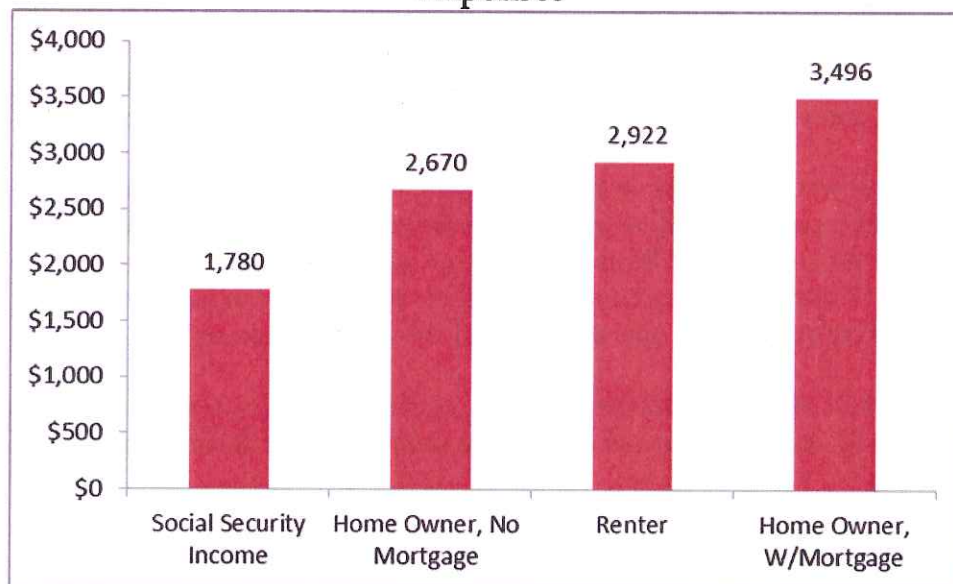
⁶ Hewitt Associates: *Women Less Prepared to Retire Than Men*, July 2008.

was \$774 per month versus \$1,006 for men.⁷ However, according to the Elder Economic Security Standard (ESSI), a single elder needs between \$1,700-\$2,600 a month, and an elderly couple needs between \$2,600 to \$3,500 a month for living expenses (housing, healthcare, transportation and food).⁸ Below are charts comparing social security income to the amount of income needed for basic living expenses.

Social Security Income v. The Income Needed by Single Elders for Monthly Living Expenses



Social Security Income v. The Income Needed by Elder Couples for Monthly Living Expenses



Inadequate retirement income has forced many to return to work after retirement. Among those planning to work in retirement, women are more likely to cite keeping health insurance or other benefits (64% of

⁷ U.S. Department of Labor: Women and Retirement Savings, 2008

⁸ The Gerontology Institute, University of Massachusetts Boston, Wider Opportunities for Women. *The Elder Economic Security Index for Connecticut*, 2009. Prepared for the Connecticut Permanent Commission on the Status of Women and the Connecticut Commission on Aging.

women versus 50% of men) and wanting money to make ends meet (56% of women versus 38% of men) as major reasons for continuing to work.⁹

We look forward to working with you to address this issue. Thank you for your consideration.

⁹ U.S. Social Security Department: Social Security is Important to Women, October 2007

